

STATE OF MAINE
OFFICE OF SECURITIES
121 STATE HOUSE STATION
AUGUSTA, ME 04333-0121

IN RE:

STEVEN K. MAIDLOW

NOTICE OF INTENT
No. 06-067

ALLEGATIONS

1. Steven K. Maidlow (CRD # 1831371) was licensed in Maine as a sales representative or agent of Legg Mason Wood Walker, Incorporated ("Legg Mason") from May 11, 2000, until February 21, 2006, and as an agent of Citigroup Global Markets Inc. ("Citigroup") from February 21, 2006, until June 2, 2006. His last known address is 7107 Juniperview Lane, Cincinnati, Ohio 45243.
2. In or around April 2005, a Maine resident, whose mother had passed away, contacted Maidlow because he was the sales representative handling her deceased mother's account with Legg Mason. The Maine resident also had her own account with Legg Mason. As the personal representative of her mother's estate, the Maine resident instructed Maidlow to liquidate all of the holdings in her mother's account and to forward the proceeds to the estate's checking account.
3. By May 2005, all of the holdings had been sold except for seven bonds. Maidlow advised the Maine resident that the seven bonds had "survivor's options," which meant that the bonds could be sold back to the issuer at face value if redeemed on specific quarterly dates. The Maine resident instructed Maidlow to exercise the options at the next available quarterly date.
4. Maidlow failed to follow this instruction and instead sold the bonds at market value in November of 2005, resulting in a loss of \$11,659.24 to the estate.
5. When questioned about the sale, Maidlow misrepresented to the Maine resident that he had sold only six of the bonds and that he had yet to sell the last bond when in fact he already had sold all seven bonds.
6. Maidlow also attempted to cover up the sale at below face value by creating the illusion that he subsequently sold the seventh bond for \$45,000. He did this by forging documentation to cause a \$10,000 wire transfer from the Maine resident's own money market account at Legg Mason to her mother's estate checking account.

7. When confronted about the unauthorized transfer of \$10,000 from the Maine resident's account, Maidlow misrepresented that he had transferred the money in error and then provided the Maine resident with falsified documents that made it appear that \$10,000 had been put back into her account, which had not occurred.
8. By acting as described above, Maidlow engaged in unlawful, unethical and dishonest practices in the securities business. 32 M.R.S.A. §§ 10313(1)(G), 16412(4)(M), 16702(1); Rule Chapter 504, § 8.
9. Pursuant to 32 M.R.S.A. §§ 10313, 16412 and 16702(1), the Securities Administrator may, after notice and opportunity for hearing, issue an order barring a licensee from associating with any issuer, broker-dealer or investment adviser if the Securities Administrator finds that the order is in the public interest and that the licensee has engaged in unlawful, unethical or dishonest conduct in the securities business.

NOTICE

Notice is hereby given that the Securities Administrator intends to issue an Order to Bar Maidlow from association under 32 M.R.S.A. §§ 10313(1) and 16412(2).

If Maidlow wants to request a hearing in this matter, he must do so in writing within thirty (30) calendar days of the date of this Notice of Intent. 32 M.R.S.A. §§ 10708, 16604, 16702(1).

Date: August 31, 2005

/s/ Michael J. Colleran
Michael J. Colleran
Securities Administrator

Presented by:

Date: August 31, 2006

/s/ Jacqueline M. Drouin
Jacqueline M. Drouin
Investigator / Examiner